



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/376,346	08/18/1999	MICHAEL SATOW	0744.0001-00	6399

22852 7590 03/15/2007
FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER
LLP
901 NEW YORK AVENUE, NW
WASHINGTON, DC 20001-4413

EXAMINER

KHATTAR, RAJESH

ART UNIT	PAPER NUMBER
----------	--------------

3693

SHORTENED STATUTORY PERIOD OF RESPONSE	MAIL DATE	DELIVERY MODE
3 MONTHS	03/15/2007	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

Office Action Summary

Application No.

09/376,346

Applicant(s)

SATOW ET AL.

Examiner

Rajesh Khattar

Art Unit

3693

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 12 August 2002.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-49 is/are pending in the application.
- 4a) Of the above claim(s) 9-14, 30-35 and 46 is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-8, 15-29, 36-45 and 47-49 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date <u>June 13, 2000 and Aug. 2, 2000</u> . | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Acknowledgements

1. The examiner for this application has changed. Please indicate Examiner Rajesh Khattar as the examiner of record in all future correspondence.
2. This Office Action is in response to Applicant's response filed on Aug. 12, 2002. Claims 1-49 are pending in the application. Election of claims 1-8, 15-29, 36-45 and 47-49 in response to Election/Restriction is acknowledged. Claims 9-14, 30-35 and 46 withdrawn from further consideration by the Examiner, 37 CFR 1.142(b), as being drawn to a non-elected invention. Applicants are respectfully advised to cancel the non-elected claims 9-14, 30-35 and 46 in response to this office action. Elected claims 1-8, 15-29, 36-45 and 47-49 have been examined.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

3. Claims 1-2, 4, 6, 7, 22, 23, 25, 27 and 28 are rejected under 35 U.S.C. 102(e) as being anticipated by Belzberg, US Patent No. 6,134,535 (herein after Belzberg).

Regarding claims 1 and 22, Belzberg describes an automated method for trading stocks, the method comprising:

receiving a first and a second trade order, comparing the first trade order with second trade order and executing a trade in real-time (col. 1, lines 22-34).

Regarding claims 2 and 23, Belzberg discloses determining that the first trade order is a buy order for a number of shares of a specific stock at a specific price, and wherein the second trade order is a sell order for a number of shares of the same stock at the same price (col. 3, lines 14-16, 22-41).

Regarding claims 4 and 25, Belzberg discloses storing the first trade order in a database as an open order to be matched later if a match is not immediately determined (col. 1, 43-44). Examiner interprets Belzberg's disclosure of automatically trading stock when they reach a certain price level as if the match is not immediately available, the trade order would stay as an open order in a database for execution at a later time.

Regarding claims 6 and 27, Examiner notes that the claimed limitation updating a database is not clearly described by Belzberg. However, Examiner asserts that in this highly regulated industry, this claim limitation is necessarily present in the teachings of Belzberg.

Regarding claims 7 and 28, Belzberg discloses notifying the first and second users of the executed trade (col. 1, lines 30-34; col. 5, lines 21-25).

4. Claims 17-21 and 38-45, 47-49 are rejected under 35 U.S.C. 102(b) as being anticipated by Non Patent Literature (NPL) titled "The Cutting Edge; Markets and Modems: The Internet is making online trading faster, cheaper and easier than ever;

[Home Edition]" by James F. Peltz, Los Angeles Times: Aug. 5, 1996 (see attached; herein after Peltz).

Regarding claim 17, Peltz teaches
sending a first trade order from a first non-institutional user to a broker-dealer
(page 3, lines 1-22);
receiving the first trade order by the broker-dealer (page 3, lines 1-22);
sending the first trade order from the broker-dealer to a matching engine over a
network (page 3, lines 21-34);
receiving the first trade order from the broker-dealer by the matching engine
(page 3, lines 21-34); and
executing a trade between the first and second users in real-time (page 3, lines
21-34).

Examiner notes that Applicant's comparing by the matching engine feature, is
necessarily present during the trade executing stage. Examiner also notes that
verifying, by the broker-dealer, an acceptable account status of the first user for the first
trade order is within the scope of the teachings of Peltz. Peltz teaches that in order to
participate in on-line trading, customers are required to open a brokerage account with
a minimum balance of \$1000 (page 3, lines 8-10). Customers cannot trade if funds are
not available.

Regarding claim 18, sending the trade order from the broker-dealer to the
matching engine over a private network (page 3, lines 18-25).

Regarding claims 19-21, 38-45 and 47-49, Examiner notes that all the method and apparatus limitations associated with a broker-dealer data processing system as cited by the Applicant are necessarily present in the teachings of Peltz. Examiner does not envision any other way to manage the method claims recited by the Applicant.

Examiner, therefore, concludes that the method and apparatus limitations associated with a broker-dealer data processing system are inherently present in the teachings of Peltz.

5. Alternatively, claims 1-2, 4, 6-7, 22-23 and 27-28 are rejected under 35 U.S.C. 102(b) as being anticipated by Silverman et al. US Patent No. 5,077,665 (herein after Silverman).

Regarding claims 1, 2, 22 and 23, Silverman discloses an automated method for trading stocks, the method comprising:

receiving a first and a second trade order, comparing the first trade order with the second trade order and executing a trade in real-time (col. 5, lines 1-5, 35-46) and

determining that the first trade order is a buy order and the second order is a sell order for a number of shares of a specific stock at a specific price (col. 5, lines 1-5).

Regarding claim 4, Silverman teaches storing the first trade order in a database as an open order to be matched later if a match is not immediately determined (col. 5, lines 42-46).

Regarding claims 6, 7, 27 and 28, Silverman discloses updating a database if a trade between the first and second users is executed (col. 5, lines 38-42) and notifying the first and second users of the executed trade (col. 5, lines 36-40).

6. Alternatively, claims 1-3, 6-7 and 22-24, 27-28 are rejected under 35 U.S.C. 102 (e) as being anticipated by Odom et al. US Patent No. 6,058,379 (herein after Odom).

Regarding claims 1-3 and 22-24, Odom discloses an automated method for trading stocks, the method comprising:

receiving a first and a second trade order, comparing the first trade order with the second trade order and executing a trade in real-time (col.10, lines 48-67) and

determining that the first trade order is a buy order and the second order is a sell order for a number of shares of a specific stock at a specific price (col. 10, lines 58-67) and

receiving the first trade order from the first user via a broker-dealer (col. 10, lines 36-42).

Regarding claims 6-7 and 27-28, Odom teaches updating a database if a trade between the first and second users is executed (col. 10, lines 65-67) and notifying the first and second users of the executed trade (col. 10, lines 65-67; col. 11, lines 1-10).

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. Claims 3, 5, 8, 26 and 29 are rejected under 35 U.S.C. 103(a) as being unpatentable over Belzberg and further in view of Peltz.

Belzberg illustrates the invention as described above. Belzberg fails to disclose receiving trade order via a broker-dealer and notifying the users of the executed trade via the Internet. However, Peltz discloses receiving the trade order via a broker-dealer and notifying the users of the executed trade via the Internet (page 3, lines 18-32). Therefore, it would have been obvious for a person having ordinary skills in the art at the time the invention was made to modify the teachings of Belzberg to include the features of Peltz. One would have been motivated to do so in order facilitate automated trading faster, cheaper and easier to individuals.

8. Alternatively, claims 3, 5, 8, 26 and 29 are rejected under 35 U.S.C. 103(a) as being unpatentable over Belzberg and further in view of Non Patent Literature (NPL) titled "Schwab rolls out first on-line trading software for windows" by Jane Gideon, PR Newswire, New York, Oct. 4, 1993 (see attached; herein after Gideon).

Belzberg illustrates the invention as described above. Belzberg fails to disclose receiving trade order via a broker-dealer and notifying the users of the executed trade via the Internet. However, Gideon describes the first on-line trading software that allows users to trade over the Internet via a broker-dealer and receive confirmation of the executed trade via the Internet (page 1, lines 16-24, lines 27-41; page 2, lines 1-9). Therefore, it would have been obvious for a person having ordinary skills in the art at the time the invention was made to modify the teachings of Belzberg to include the features of Gideon. One would have been motivated to do so in order facilitate automated trading faster, cheaper and easier to individuals.

Art Unit: 3693

9. Claims 15, 16, 36 and 37 are rejected under 35 U.S.C. 103(a) as being unpatentable over Peltz and further in view of a Non Patent Literature (NPL) titled "For Small Investors, a New Way to Cut Trading Costs by Vanessa O'Connell, Wall Street Journal, New York, NY, Oct. 18, 1996 (see attached; herein after O'Connell).

Peltz illustrates the teaching as described above. Peltz also teaches receiving a trade order from a broker-dealer outside of exchange trading hours (page 3, lines 1-39), the broker-dealer having received the trade order from a non-institutional user connected to the broker-dealer (page 3, lines 1-39). Peltz fails to disclose comparing and executing a trade in real-time between the first and second user. However, O'Connell teaches the use of electronically matching buyers and sellers (page 1, lines 3-4). Examiner notes that the comparing feature is to be necessarily present within electronically matching feature. Therefore, it would have been obvious for a person having ordinary skills at the time the invention was made to modify the teaching of Peltz to incorporate the teaching of O'Connell. One would have been motivated to do so in order to execute trade at favorable prices as taught by O'Connell.

Conclusion

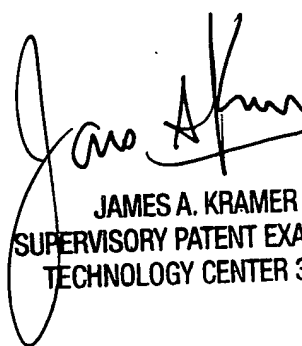
10. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure are US Patent No. 6012046, 5101353, 5136501, 6098051, 4674044 and US Patent Application No. 2001/0039527.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Rajesh Khattar whose telephone number is 571-272-7981. The examiner can normally be reached on M-Th 8-5.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Kramer can be reached on 571-272-6783. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

RK
March 12, 2007

 3/13/07
JAMES A. KRAMER
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 3600